



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held August 22, 2006, the Board took the following action:

19

The following item was called up for consideration:

The Director of Health Services' joint recommendation with the Chief Administrative Officer and the Director of Public Works to approve the design and construction changes to building infrastructure at the LAC+USC Medical Center Replacement Facility Project, Specs. 6550, C.P. No. 70787, which is necessary to provide for the installation of a Voice-Over Internet Protocol (VoIP) phone system at an estimated cost of \$168,000, which includes \$100,000 in additional construction costs, \$66,700 in additional design fees, and \$1,300 in estimated permitting fees; approve increase to the total project budget in amount of \$1,227,218, which consists of \$168,000 for VoIP, \$136,556 for United States Pharmacopoeia 797 (USP 797), \$122,662 for Positron Emission Tomography/Computerized Tomography (PET/CT) scanners, and an \$800,000 increase in architectural contingency fees, and authorize the Chief Administrative Officer to include these adjustments in the 2006-07 Supplemental Changes; find that recommended changes to the project are exempt from the California Environmental Quality Act; also approve and authorize the Director of Public Works to take the following related actions:

Execute supplemental agreement with Helmuth, Obata, Kassabaum + Lee, Burkhart, Liu to provide architectural design services associated with the VoIP phone system for the estimated not-to-exceed amount of \$66,700;

Increase authorization previously delegated to execute change order to agreement with McCarthy/Clark/Hunt (MCH), a Joint Venture, for construction costs associated with design clarifications of the pharmacy in the Diagnostic and Treatment building necessitated by implementing new standards in USP 797 from \$526,509 to a not-to-exceed amount of \$663,065, an increase of \$136,556; and

(Continued on Page 2)

Execute change order to agreement with MCH for construction costs associated with the replacement of one 2-head and two 3-head gamma cameras with a PET/CT scanner in the Diagnostic and Treatment building for a not-to-exceed amount of \$322,662, an increase of \$122,662 from the previous construction cost estimate of \$200,000.

Supervisor Molina made the following statement:

“Voice Over Internet Protocol (VoIP) is a new telephone system technology that makes use of the internet to transmit both voice and data. While there are many potential benefits and savings from this technology, there are also serious concerns about reliability and security, particularly in a critical care facility. A February 2006 Government Computer News article quotes a Federal Systems Engineer as saying that the government is not comfortable enough with the new technology ‘to put people’s lives on the line,’ referring specifically to military hospitals. It is essential that prior to final approval the Board is assured that the VoIP system contemplated at the LAC+USC Replacement Facility is the most reliable and effective telephone alternative for a hospital environment.

“In June and July 2004, the Chief Information Officer (CIO) sent a memorandum to the Board and to all County Department Heads, respectively, informing all that ‘only IP telephone systems will be implemented when new or upgraded telephone systems are needed in County facilities.’ The memoranda also describes a Request for Information (RFI) process for the selection of a County IP telephone provider in which Cisco Systems scored the highest and was added to the existing Telecommunications Equipment and Services Master Agreement (TESMA). After a thorough review of Board Letters from 2002 to the present by the Executive Officer to the Board, it is apparent that this Board has never been presented with the opportunity to analyze, discuss or debate the benefits and risks of adopting VoIP as County policy for all new or upgraded telephone systems, nor has the County approved the RFI process, selection or addition of Cisco Systems to the existing TESMA for IP telephone services.”

(Continued on Page 3)

Peter Baxter and Dr. Genevieve Clavreul addressed the Board.

After discussion, on motion of Supervisor Molina, seconded by Supervisor Antonovich, unanimously carried, the Board took the following actions:

1. Continued for four weeks to September 19, 2006 those portions of the Director of Health Services' joint recommendation with the Chief Administrative Officer and the Director of Public Works relating to Voice-Over Internet Protocol (VoIP) pending the receipt of additional information;
2. Instructed the Chief Information Officer, in collaboration with the Chief Administrative Officer and the Directors of Health Services, Public Works and Internal Services, to provide within three weeks a thorough analysis of the risks, benefits, reliability, security and costs (including operational costs) of installing VoIP at the LAC+USC Replacement Facility versus other options available in telephone technology today. Questions addressed should include, but not be limited to the following:
 - Was an analysis of telephone options for the Replacement facility (including risks, benefits, and costs) conducted prior to the decision to implement VoIP? If so, what were the results?
 - What are the implementation, maintenance and ongoing costs of providing VoIP at the Replacement Facility?
 - What are the back-up systems for telephone and data should internet access fail?
 - Does VoIP require special staffing and training? Is that technical skill available in the County? If not, who will provide this technical support and at what cost?
 - What other major hospitals use VoIP? Do these hospitals use VoIP as their primary telephone system? What type of backup systems do these hospitals offer?

(Continued on Page 4)

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3. Instructed the Chief Administrative Officer, Auditor-Controller and County Counsel to investigate to determine whether appropriate County policy was followed, and, if not, to recommend appropriate corrective actions, and provide any necessary changes to County policy to ensure the Board is involved in approving critical technology and procurement decisions, and report back to the Board within three weeks on:
 - The decision to change the telephone system for the Replacement Facility, specifically who made the decision, when the decision was made, and the basis and authority upon which the decision was made; and
 - The directive sent by the Chief Information Officer to Department Heads in July 2004 regarding VoIP and the RFI process, and including the addition of Cisco Systems to the existing Telecommunications Equipment and Services Master Agreement; and
4. Approved the balance of the recommendations contained in the Director of Health Services' attached joint recommendation with the Chief Administrative Officer and the Director of Public Works, revising the total project budget in the amount of \$1,059,218 which consists of \$136,556 for USP 797, \$122,662 for PET/CT Scanners and an \$800,000 increase in architectural contingency fees; and authorize the Chief Administrative Officer to include these adjustments in the Fiscal Year 2006-07 Supplemental Changes.

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Attachment

Copies distributed:

Each Supervisor
Auditor-Controller
Chief Administrative Officer
Chief Information Officer
County Counsel
Director of Health Services
Director of Internal Services
Director of Public Works